



MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

LABOR FORCE & EMPLOYMENT

The seasonally adjusted unemployment rate for the Magic Valley LMA was 3.9 percent in June 2001, as seen in Magic Valley Table 1. This was one-tenth of a percentage point lower than in May 2001, and six-tenths of a percentage point lower than in June 2000. *Civilian Labor Force* dropped 1.2 percent year-over-year, but this decrease has been more than offset by a 13.1 percent drop in the number of persons unemployed.

Nonfarm Payroll Jobs showed a 4.2 percent decrease from June 2000 to June 2001, and many sectors have shown decreases in employment. The most significant decrease has been in *Services* jobs, which decreased 11.5 percent year-over-year. Services had been the fastest growing sector in the Magic Valley employment picture and now is showing decreases. Most of this reflects a drop-off in tourism that has occurred due to drought conditions and less business in *Hotels & Other Lodging Places* and *Eating & Drinking Establishments*. Also, tourism-related industries, such as float trip operators and tour guides, are finding fewer people participating in local tourist attractions such as river trips and visits to Shoshone Falls. *Manufacturing Durable Goods* also had a significant yearly decrease of 9.1 percent, and even *Food Processing* decreased slightly as food processors did not aggressively fill positions vacated by attrition. The only major sectors to show increases were *Government Education* and *Wholesale Trade*.

The overall picture reflects national and statewide trends toward economic cooling. Despite dips in some employment sectors, the Magic Valley LMA still has a very low unemployment rate, and the area has thus far avoided the large layoffs announced in other parts of the state.

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding counties

	June 2001*	May 2001	June 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	46,630	47,790	47,210	-2.4	-1.2
Unemployment	1,840	1,910	2,120	-3.7	-13.2
% of Labor Force Unemployed	3.9	4.0	4.5		
Total Employment	44,790	45,880	45,090	-2.4	-0.7
Unadjusted					
Civilian Labor Force	47,400	47,960	47,990	-1.2	-1.2
Unemployment	1,720	1,750	1,980	-1.7	-13.1
% of Labor Force Unemployed	3.6	3.6	4.1		
Total Employment	45,680	46,210	46,010	-1.1	-0.7
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	36,740	37,280	38,350	-1.4	-4.2
Goods-Producing Industries	7,140	6,940	7,310	2.9	-2.3
Mining & Construction	2,200	2,100	2,210	4.8	-0.5
Manufacturing	4,940	4,840	5,100	2.1	-3.1
Durable Goods	800	810	880	-1.2	-9.1
Nondurable Goods	4,140	4,030	4,220	2.7	-1.9
Food Processing	3,050	2,970	3,130	2.7	-2.6
All Other Nondurable Goods	1,090	1,060	1,090	2.8	0.0
Service-Producing Industries	29,600	30,340	31,040	-2.4	-4.6
Transportation, Comm., & Utilities	2,550	2,650	2,800	-3.8	-8.9
Wholesale Trade	2,370	2,350	2,280	0.9	3.9
Retail Trade	8,030	8,170	8,230	-1.7	-2.4
Finance, Insurance, & Real Estate	1,260	1,270	1,320	-0.8	-4.5
Services	7,980	7,940	9,020	0.5	-11.5
Government Administration	3,810	3,750	3,890	1.6	-2.1
Government Education	3,600	4,210	3,500	-14.5	2.9

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

AREA DEVELOPMENTS

Twin Falls County

- The Buhl Chamber of Commerce selected a new Executive Director to head that organization. Merrily Ann Heuther was hired to take over the day-to-day operation of the Buhl Chamber on a part-time basis beginning August 1, 2001. Heuther will leave her position as director of sales for Cavanaugh's Best Western hotel in Twin Falls, and will move to Buhl to assume her new position.
- South Central District Health Department announced that a new Planned Parenthood Clinic will be located in Twin Falls in response to area needs. Planned Parenthood is a non-profit organization that seeks to assist women in sexual education and birth control alternatives. Due to the high poverty levels and birth statistics for South Central Idaho, the decision to locate the Planned Parenthood Clinic in Twin Falls was

made. This will be only the second PP Clinic in Idaho.

- Twin Falls-based APEX Containers purchased the former Seminis Seed warehouses and loading docks this spring. Seminis sold the warehouses as part of its global reorganization undertaken earlier this year. APEX Containers has undertaken warehousing as a complement to its container business. APEX will also employ six former Semis workers so that a nucleus of experienced warehouse workers can be retained.

Jerome, Gooding, Lincoln, Blaine, & Camas Counties

- WestFarm Foods, a Seattle-based dairy processor, announced that it plans to construct a 70,500-square-foot milk dehydration plant next to its existing condensing plant in Jerome. The new facility in the Jerome Industrial Park will have the initial capacity to convert 3.3 million pounds of locally processed milk per day into nonfat dry milk. The company said it designed the new plant to be further expanded to process 6 million pounds of milk per day into cheese, whey, or nonfat dry milk, depending upon the prevailing markets. WestFarm Foods considered many locations before deciding to build right next to its condensation plant. The new dehydration plant will add 23 permanent full-time jobs when it begins operations in July 2002.
- Mexican President Vicente Fox, along with Mexican First Lady Marta Sahaguin de Fox and Mexico's Ambassador to the United States, Juan Jose Bremer, attended a retreat sponsored by Allen & Company in Sun Valley. President Fox was invited to be the keynote speaker at the retreat that is a gathering of media and business leaders from all parts of the United States and the world. President Fox spoke about improved trade relations between the United States and Mexico and other issues, such as immigration. Idaho Governor Dirk Kempthorne also met with President Fox to discuss trade issues between Idaho and Mexico. Governor Kempthorne led a very successful trade mission to Mexico last May.
- An affordable housing complex was recently dedicated in the City of Hailey. The Balmoral Apartment Complex is reserved for residents earning 30 to 60 percent of the area median income, or \$19,950 to \$39,900. Rent on one-, two-, and three-bedroom apartments ranges from \$330 to \$775 per month. The project was made possible through the federal low-income housing tax credit which is administered on behalf of the state by the Idaho Housing and Finance Association. The 192-unit apartment complex is a response to the very pressing need for

affordable housing in the Blaine County area. The average home in Sun Valley and Ketchum sold for \$1 million in 2000 (double from eight years previously). The average cost of a home in Hailey and Bellevue is \$250,000. By contrast, wages grew about 4.8 percent per year for the last decade compared to a 9 percent annual growth in home sale prices. This situation has made hiring service sector workers difficult for the resorts and hotels in the area, because many workers cannot afford to live in the Wood River Valley. Blaine County is considering the affordable housing issue and is looking at possible solutions.

Cassia & Minidoka Counties

- The Burley Irrigation District voted July 10, 2001, to cut an additional six acre-inches from an already 25 percent lower water allotment. Although fewer acres have been planted this year and crops are being watered sparingly, heat-caused evaporation is forcing authorities to make these cuts. Farmers in the district were notified of the reduction by letter and were urged to conserve water by only irrigating essential crops. The District also asked farmers not to irrigate grain stubble. Cassia County has been declared a drought disaster area, as have many other counties in South Central Idaho.
- Wal-Mart spokespeople have confirmed that it will expand its present Burley store into a supercenter. The new plans call for a 73 percent expansion in square-footage, to a total of 161,320 square feet. This will make the store slightly larger than the new Jerome supercenter. Construction is anticipated to begin in early 2002 with completion expected by 2003. The store presently employs approximately 200 people, and Wal-Mart expects to hire 175 additional workers.

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